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Attorneys for Plaintiffs

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT KETCHIKAN

MARION RIDER, HOWARD RIDER,)
and BRAD RIDER; and EILEEN)
CASEY, individually and on behalf of)
all others similarly situated,)

Plaintiffs,)

v.)

MICHAEL J. DUNLEAVY, in his)
official capacity as Governor of the)
State of Alaska, ADAM CRUM, in his)
official capacity as Commissioner of the)
Alaska Department of Health and)
Social Services, CLINTON LASLEY, in)
his official capacity as Director of the)
Alaska Pioneers' Home and Alaska)
Veterans' Home, and the STATE OF)
ALASKA,)

Defendants.)

CLASS ACTION COMPLAINT

Case No. 1KE-19-_____ CI

INTRODUCTION

1. This putative class action lawsuit challenges the defendants' abrupt, astronomical, and untenable increases of up to 140% for the monthly rates charged to aged and infirm residents of the Alaska Pioneers' Home and Alaska Veterans' Home.

2. Plaintiffs, on behalf of themselves and similarly situated Alaskans, seek preliminary and permanent injunctive relief estopping the defendants from enforcing the monthly rate increases adopted in regulation on August 30, 2019.

JURISDICTION

3. This Court has jurisdiction pursuant to AS 22.10.020(c) and (g).

4. Venue is proper under AS 22.10.030 and Alaska Civil Rule 3(c).

PARTIES

5. Plaintiffs Marion and Howard Rider are married residents of the State of Alaska and live together in the Pioneers' Home in Juneau, Alaska.

6. Plaintiff Brad Rider is the adult son of Marion and Howard Rider, and holds a Power of Attorney that enables him to act on their behalf in all respects relevant to this matter.

7. Plaintiff Eileen Casey is a disabled resident of the Pioneers' Home in Ketchikan, Alaska.

8. Defendant Adam Crum is the Commissioner of and oversees the Alaska Department of Health and Social Services (DHSS or Department), which

1 is the state agency that in turn oversees the Alaska Pioneers' Home and Alaska
2 Veterans' Home. Commissioner Crum is sued in his official capacity.

3 9. Defendant Clinton Lasley is the Director of the Alaska Pioneers'
4 Home and Alaska Veterans' Home under DHSS. Director Lasley is sued in his
5 official capacity.
6

7 10. Defendant Michael J. Dunleavy is the Governor of the State of
8 Alaska and oversees DHSS. Governor Dunleavy is sued in his official capacity.

9 11. Defendant State of Alaska is a sovereign entity organized in
10 accordance with the laws of the United States.

11 **CLASS ALLEGATIONS**

12 12. Plaintiffs bring this action on their own behalf and on behalf of all
13 persons who are similarly situated, pursuant to Rule 23 of the Alaska Rules of
14 Civil Procedure.
15

16 13. The class is defined as follows: All residents of the Alaska Pioneers'
17 Homes and Alaska Veterans' Home who are subject to DHSS's monthly rate
18 increases, effective August 30, 2019.

19 14. All requirements for class certification under Rule 23(a) are met in
20 this case. Specifically:

21 (a) The class is so numerous that joinder of all members is
22 impracticable. The number of individuals in the above-defined class, although
23 presently unknown, is, on information and belief, approximately 497.¹
24

25

¹ See <http://dhss.alaska.gov/daph/Pages/aboutUs.aspx>.

1 (b) There are questions of law or fact common to the class, including but
2 not limited to those stated in this Complaint.

3 (c) The claims of the representative parties are typical of those of the
4 putative class members.

5 (d) The representative parties will fairly and adequately represent the
6 class. Neither the representative plaintiffs nor their counsel has interests which
7 might cause them not to vigorously pursue this action.

8 (e) Certification of a class under Alaska R. Civ. P. 23(b)(2) is
9 appropriate, because the defendants at all times have acted and/or refused to act
10 on grounds generally applicable to the class, thereby making appropriate final
11 injunctive relief and corresponding declaratory relief with respect to the class as
12 a whole.
13

14 STATUTORY AND REGULATORY SCHEME

15
16 15. The Alaska Pioneers' Homes and Alaska Veterans' Home are
17 licensed assisted living facilities that are owned and operated by the State of
18 Alaska.

19 16. The Pioneers' Homes system is one of the oldest governmental
20 institutions in Alaska; it was established to care for and honor Alaskan elders
21 who built the state and ensure that they were cared for in their old age.
22 Accordingly, since 1949, the State has been required to "maintain and operate
23
24
25

1 facilities known as the Alaska Pioneers' Home at Sitka, Anchorage, Fairbanks,
2 Juneau, Ketchikan, Palmer, and other sites designated by" DHSS.²

3 17. The Pioneers' Home system is currently licensed to serve 497
4 persons at any given time and maintains a waiting list for admission.³

5 18. DHSS is required to adopt regulations "necessary to conduct
6 business and to carry out the provisions" of the statutes governing the Pioneers'
7 Home system.⁴

8 19. DHSS "may engage in activities directed to increase revenue from a
9 home. These activities may include the lease of excess bed or floor space, up to 50
10 percent of the total floor space in a home, or lease of space or buildings that are
11 not in use or are underutilized."⁵

12 20. Criteria for admission to the Pioneers' Homes are: "Every person
13 residing in the state who is 65 years of age or older, has been a resident of the
14 state continuously for more than one year immediately preceding application for
15 admission, and is in need of residence at a home because of physical disability or
16 other reason."⁶

17 21. Every person who resides in a Pioneers' Home or Veterans' Home
18 and has income greater than \$200 per month is required to pay toward his or her
19 cost of care. "However, the department may not require in any month the
20
21
22

23
24 ² AS 47.55.010(a).

³ See <http://dhss.alaska.gov/daph/Pages/aboutUs.aspx>.

⁴ AS 47.55.010(b); DHSS has adopted such regulations at 7 AAC 74 *et seq.*

⁵ AS 47.55.010(e).

⁶ AS 47.55.020(a).

1 payment of an amount greater than the monthly rate set under AS 47.55.030(b)
2 except to satisfy indebtedness incurred under AS 47.55.070.”⁷

3 22. A person who is otherwise eligible for admission to a Pioneers’ Home
4 or Veterans’ Home may be admitted “upon the person’s agreement to pay to the
5 state each month an amount the department considers sufficient to compensate
6 the state for the cost of care and support of the person at the home.”⁸
7

8 23. DHSS is required to “adopt regulations establishing a monthly rate
9 for the compensation a resident is to be charged . . . [t]he rate charged need not
10 fully compensate the state for the cost of care and support. The commissioner of
11 health and social services shall review the rate each year.”⁹

12 24. DHSS is required to “provide to all residents of the homes written
13 notice of any proposed change in the rate charged for care and support of persons
14 at the homes. Notice . . . shall be given not less than 60 days before a change is
15 adopted. The notice must include the time, date, and place of a hearing to be held
16 by the department . . . [t]he department “may not change the rate charged more
17 than once in a fiscal year.”¹⁰
18

19 25. “Not less than 30 days before a proposed rate change is adopted,
20 [DHSS] shall conduct a hearing at which interested persons shall be given the
21

22
23
24 ⁷ AS 47.55.020(b).
25 ⁸ AS 47.55.030(a).
⁹ AS 47.55.030(b).
¹⁰ AS 47.55.030(c).

1 opportunity to submit written or oral testimony, statements, arguments or
2 contentions relating to the proposed rate change.”¹¹

3 26. Each session, the legislature is required to “appropriate the
4 necessary funds for the maintenance of the Alaska Pioneers’ Home and the
5 Alaska Veterans’ Home to be expended by the department.”¹²
6

7 27. Certain expenses incurred for a Pioneers’ Home or Veterans’ Home
8 resident and not recoverable from a collateral source are considered a debt of the
9 resident to the State. One such expense is the “costs of standard or nursing care
10 provided in the home each month to the resident not exceeding the rate
11 established by the department under AS 47.55.030.”¹³
12

13 28. The Pioneers’ Homes are further governed by regulations at 7 AAC
14 74.010 *et seq*, including regulations governing levels of service and rates charged
15 to residents.

16 FACTUAL ALLEGATIONS

17 **Facts Common to the Class**

18 29. The Alaska Pioneers’ Homes and Alaska Veterans’ Home are
19 licensed assisted living homes owned and operated by the State of Alaska.

20 30. The Pioneers’ Home system is licensed to serve 497 persons at any
21 given time and has a waitlist for admission. As of July 1, 2019, the system serves
22

23
24
25 ¹¹ AS 47.55.030(d).

¹² AS 47.55.050.

¹³ AS 47.55.070(1).

1 Alaskans who, on average, are 87 years old and have lived in Alaska for more
2 than 40 years.¹⁴

3 31. Shortly after Governor Dunleavy took office, during a January 11,
4 2019 Advisory Board Meeting, Director Lasley stated that the Homes' "have to be
5 prepared to advocate for the Pioneer Homes and get the people behind us if we
6 start seeing drastic budget recommendations aimed at us."¹⁵

7
8 32. In that same meeting, Director Lasley shed some light on the
9 imminent budget process. He stated that "last year was [the] first year we didn't
10 run a budget deficit and this year we are on track to do the same. We don't know
11 anything for FY20, as this budget session was done differently. With the new
12 administration, we are not being pulled into the budget discussions, the Office of
13 Management and Budget (OMB) is making all the decisions; after the directors
14 submitted our recommendations for how we could find cost efficiencies in our
15 divisions, we have not heard anything else."¹⁶

16
17 33. At that meeting, Director Lasley noted that the rate hikes would be
18 "drastic." Specifically, he said that "[w]e are asking for a pretty drastic rate
19 increase for Level III, and the creation of a Level IV as we cannot continue to
20 offer those services without charging the actual cost of them. This will make us
21 hugely unpopular but we have to do it."¹⁷

22
23
24 ¹⁴ See <http://dhss.alaska.gov/daph/Pages/aboutUs.aspx>

25 ¹⁵ Exhibit 1.

¹⁶ Exhibit 1.

¹⁷ Exhibit 1.

1 34. One of the Pioneers' Home Board members asked about a timeline
2 for the rate hikes, because "it sounds like we'll need to be prepared to field
3 questions about this." Director Lasley noted that he hadn't previously mentioned
4 the planned rate increases, "even internally, because I needed to make sure we
5 actually had Department support to go through with it."¹⁸
6

7 35. On February 13, 2019, Governor Dunleavy released his proposed
8 FY2020 state operating budget. The proposed budget included a \$12.3M cut to
9 the Pioneers' Home system.¹⁹

10 36. On February 25, 2019, Director Clinton Lasley wrote a letter to the
11 Pioneer Home Elders and Families.²⁰ In that letter, he stated that the Governor's
12 budget "does not reduce our authority to spend the same approximate funding as
13 we have this year, but goes to the core of the governor's objective which is that we
14 must earn what we spend."
15

16 37. In his February 25, 2019 letter, Director Lasley further stated that
17 "[t]o meet the expectation of a budget where expenditures cannot exceed existing
18 revenue, I will be putting forward a regulation package in the coming days that
19 aligns our rates with the cost of providing services. The Division of Alaska
20 Pioneer [sic] Homes has historically charged rates for services substantially
21

22
23 ¹⁸ Exhibit 1.

24 ¹⁹ See James Brooks, *Dunleavy Administration Presses Ahead with Sharp Increases to*
Pioneer Home Rates September 1, Anchorage Daily News, August 2, 2019 available at:
25 [https://www.adn.com/politics/2019/08/02/state-presses-ahead-to-sharply-increase-pioneer-home-](https://www.adn.com/politics/2019/08/02/state-presses-ahead-to-sharply-increase-pioneer-home-prices-sept-1/)
 [prices-sept-1/](https://www.adn.com/politics/2019/08/02/state-presses-ahead-to-sharply-increase-pioneer-home-prices-sept-1/)

²⁰ Exhibit 2.

below what it cost the state to provide these essential services and below market rate.”²¹

38. In his February 25, 2019 letter, Director Lasley proposed new monthly rates for five levels of care in the Homes as follows: Level I: \$3,623; Level II: \$6,569; Level III: \$11,185; Level IV: \$13,333; and Level V: \$15,000.²²

39. Director Lasley concluded his February 25, 2019 letter by stating: “I understand the effects of these changes on your finances and the uncertainty that these changes place on each of you. Making these changes once instead of having the uncertainty year after year will not only make us a stronger organization, but you will have the security you deserve because we took corrective actions today in planning for the future.”²³

40. On March 15, 2019, ten members of the Alaska House of Representatives introduced HB 96, “An Act relating to Alaska Pioneers’ Home and Alaska Veterans’ Home rates and 2 services.”²⁴ HB 96 allowed for a one-time rebasing of rates for the Pioneers’ Homes system and provided a structure for reasonable and regular rate increases.

41. On May 28, 2019, sixteen members of the Alaska House of Representatives wrote to Commissioner Crum and Director Lasley, noting that “[i]ncreasing Pioneer Home rates above and beyond those proposed in HB 96 will

²¹ Exhibit 2.

²² Exhibit 2.

²³ Exhibit 2.

²⁴ See <http://www.akleg.gov/PDF/31/Bills/HB0096A.PDF>.

1 result in an increased number of seniors going onto Medicaid and public
2 assistance.” These representatives further stated that Alaskan seniors “may have
3 to absorb a shock to their retirement plans while living on fixed incomes provided
4 by Social Security. Many may choose to leave Alaska, taking their families,
5 wisdom, and history with them. Many of these seniors helped establish our state,
6 often through sacrifice and with the risk of dangerous occupations.”²⁵ The
7 Legislature did not enact HB 96 last session.

9 42. On April 9, 2019, DHSS noticed a regulations project to increase
10 levels of service from three to five levels at 7 AAC 74.010, and to “increase the
11 rate charged for each level of service to align with the actual cost of providing the
12 service.”²⁶ DHSS noticed a hearing on May 28, 2019 and a comment period
13 deadline of June 28, 2019.

15 43. In an undated letter posted to its website, the Pioneers’ Home
16 announced in August that it would be raising the rates of its residents based on
17 regulations proposed in April 2019 and made effective August 30, 2019 in 7 AAC
18 74.025,²⁷ at five levels of services as follows: Level I: \$3,623; Level II: \$6,569;
19 Level III: \$11,185; Level IV: \$13,333; and Level V: \$15,000.

21 44. On August 30, 2019, the Pioneers’ Home adopted the final
22 regulations adding two additional levels of service and raising rates of services to
23 the above-noted rates from prior monthly rates, which had previously been as

24
25 ²⁵ Exhibit 3.

²⁶ See <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=193764>.

²⁷ See <http://dhss.alaska.gov/daph/Documents/docs/Rate-Increase-2019.pdf>.

1 follows: Level I: \$2,588; Level II: \$4,692; Level III: \$6,795. The regulations added
2 two additional levels of service at Level IV: \$13,333; and Level V: \$15,000.²⁸

3 45. On information and belief, since 2009, rates in the Pioneers' Home
4 have been increased three times as follows: 5%, 8.5%, and 1.5%.²⁹ This is a
5 cumulative increase of 15% over an eleven-year period.
6

7 46. Pursuant to these adopted regulations, as of August 30, 3019, Level
8 I and II Pioneers' Home residents experienced monthly rate increases of 40%.
9 Level III residents saw their monthly rate increase by 65% from the prior month.

10 47. Some residents have been, or imminently will be, elevated to new
11 service levels, thus increasing some residents' monthly rates by up to 140%.

12 **Facts of Individual Named Plaintiffs**

13 48. Plaintiffs Howard Rider, 93, and Marion Rider, 91, are married
14 residents of the Juneau Pioneers' Home.
15

16 49. Plaintiff Brad Rider is the unmarried adult son of Howard and
17 Marion Rider, and holds a Power of Attorney for them that enables him to act on
18 their behalf in all respects relevant to this matter.

19 50. Marion and Howard Rider first came to Alaska in July 1960. They
20 have been Alaska residents for 59 years. Marion was a stay-at-home mother and
21 Howard owned a furniture store in Juneau.
22

23 51. Brad Rider is a blue-collar union worker and a bush pilot. He has
24 worked at various times for the City and Borough of Juneau as a Harbor Officer,
25

²⁸ See <https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=118829>.

²⁹ See http://dhss.alaska.gov/daph/Documents/docs/201811advisoryboard_report.pdf at 8-9.

1 for the State of Alaska as a snow-plow operator, as the airport manager in
2 Gustavus, and as a captain for private boat charters.

3 52. Marion and Howard Rider joined the waiting list for the Pioneers'
4 Homes on December 31, 1997.

5 53. Around 2013, Marion and Howard Rider began to need care in their
6 home, which proved difficult because the in-home and other care available to
7 them could not adequately meet their needs. Mr. Rider suffers from some
8 memory issues and Mrs. Rider is physically frail and infirm.

9 54. It soon became apparent that Marion and Howard Rider would need
10 full-time residential care. Accordingly, they were admitted to the Juneau
11 Pioneers' Home on November 1, 2016 and placed in a Level II service category for
12 \$4,622.10 per month for each of them, or a combined monthly total of \$9,244.20.

13 55. On March 7, 2017, the Riders' rate was increased to \$4,692.00 each
14 per month, in the Level II service category. This rate increase was effective April
15 1, 2017. This was an increase of 1.5% from the prior year's rates.

16 56. On October 1, 2019, the Juneau Pioneers' Home notified Brad Rider,
17 on behalf of his mother, that his mother's level of care was increasing from Level
18 II to Level III. Effective November 1, 2019, she will be required to pay \$11,185
19 per month. This is a 138% increase from her prior rate at a Level II service of
20 care prior to implementation of the August 30, 2019 regulations. Under prior
21 regulations, this increase would have been only 44%. Under the new regulations,
22
23
24
25

1 a change in level of care from Level II to Level III is a 70% increase in just one
2 month (from August to September 2019 and following months).

3 57. Although the Riders may be able to absorb these increases in the
4 near-term, they will eventually be unable to do so should they remain at the
5 same level of care.
6

7 58. Plaintiff Eileen Casey, 84, is a resident of the Ketchikan Pioneers'
8 Home.

9 59. Mrs. Casey moved to Juneau, Alaska in 1990 with her husband,
10 Robert Casey, who worked as a mining safety inspector for the federal
11 government. Mrs. Casey spent her career as a teacher in the Juneau School
12 District, working with at-risk middle schoolers and high schoolers with addiction
13 and substance abuse issues, and continued to be involved in this work after her
14 retirement in 1999.
15

16 60. Mr. Casey died in 2014. Mrs. Casey's health began deteriorating
17 shortly thereafter. She suffers from Multiple Sclerosis and frequently fell at
18 home. After trying several costly and ineffective care options, she applied to the
19 Pioneers' Home system in 2015. In September 2017, she was accepted into the
20 Ketchikan Pioneers' Home at a Level II level of care at a monthly cost of \$4,600.
21

22 61. In mid-2019, Mrs. Casey was moved up to a Level III level of care,
23 which raised her rates to \$10,606 per month.

24 62. Under the August 30, 2019 regulations, Mrs. Casey will be required
25 to pay \$11,185 per month for her Level III care. This is a 138% increase from her

1 rate at a Level II service of care prior to implementation of the August 30, 2019
2 regulations. Under prior regulations, this increase would have been only 44%.
3 Under the new regulations, a level of care change from Level II to Level III is a
4 70% increase in just one month (from August to September 2019, and subsequent
5 months).

6
7 63. Mrs. Casey began experiencing financial hardship after her move to
8 the Ketchikan Pioneers' Home. Because of her limited resources, and the drastic
9 increase in her cost of care, in June 2019, Mrs. Casey first applied for a Home
10 and Community-Based Medicaid Waiver to cover a portion of her monthly cost of
11 care. Mrs. Casey understands that her application was recently approved, with
12 Medicaid coverage effective September 1, 2019.

13
14 64. However, prior to her approval for Medicaid, Mrs. Casey had
15 accumulated a debt of \$95,208 (as of the end of October 2019). On information
16 and belief, the Pioneers' Home has twice threatened Mrs. Casey with eviction due
17 to that debt. Eviction has so far been averted, but there is no assurance that she
18 will be permitted to remain in the Ketchikan Pioneers' Home, even with Medicaid
19 paying the lion's share of her ongoing cost of care as of and after September 1,
20 2019.

21 STATEMENT OF CLAIMS

22
23 65. Plaintiffs repeat and incorporate by reference the allegations in each
24 of the preceding paragraphs.

25 EQUITABLE ESTOPPEL

66. Defendants are equitably estopped from raising the Pioneers' Homes monthly rates as set forth in 7 AAC 74.025 and made effective August 30, 2019.

67. The Alaska Supreme Court has held that equitable estoppel applies against the government in favor of a private party if four elements are present: "(1) the governmental body asserts a position by conduct or words; (2) the private party acts in reasonable reliance thereon; (3) the private party suffers resulting prejudice; and (4) the estoppel serves the interest of justice so as to limit public injury."³⁰

68. The Pioneers' Home has asserted through both conduct and regulatory action that annual rates would not be raised by degrees of 40-140% from a prior monthly rate.

69. Pioneers' Home residents relied on the rates under which they signed their contracts and reasonable annual rate increases when they sought admission to the Homes. They did not reasonably expect their rates to increase so astronomically in a single month, thereby depriving them of the time and ability to make family budgeting plans, possible relocation, and similar important decisions.

70. Pioneers' Home residents are suffering extreme prejudice because they face eviction for "refusal to pay costs incurred" under their residential services contracts with the Homes and have no other source of housing or care. Although Director Lasley has represented that residents will not face eviction for

³⁰ See, e.g., *Allen v. State, Dep't of Health and Social Services*, 203 P.3d 1155, 1164 (Alaska 2009).

1 non-payment of increased rates, that representation is arbitrary and not credible;
2 it both contradicts the terms of the residents' contracts with the Homes, and the
3 Pioneer Homes has, in fact, threatened residents with eviction for non-payment
4 of rates and/or evicted residents in the past for that reason.

5
6 71. Families of Pioneers' Home residents are struggling with
7 "heartbreaking decisions" in the wake of these drastic rate increases, including
8 divorce and bankruptcy to absorb the State's sudden and astronomical rate
9 increases.³¹

10 72. For many communities, the Pioneers' Home is the only viable option
11 for assisted living that can meet aged and disabled Alaskan resident's care and
12 housing needs.

13 73. The end result of the Pioneers' Homes sudden rate increases is that
14 with no meaningful notice, middle-income seniors are forced to divest all of their
15 assets and modest savings, go into poverty programs, or move out of the Homes
16 and/or the state.

17 74. In initiating these cuts, Governor Dunleavy has created a
18 manufactured crisis for Alaska's seniors that could easily have been avoided
19 through a well-publicized, gradual rate increase.
20
21
22

23
24 ³¹ See James Brooks, *Pioneer Home Residents and Families Struggle with 'Heartbreaking'*
25 *Decisions After Rate Increases*, Anchorage Daily News, September 18, 2019 available at:
<https://www.adn.com/alaska-news/2019/09/17/pioneer-home-residents-and-families-struggle-with-heartbreaking-decisions-after-rate-increase/>.

1 75. Estopping the Pioneers' Homes from enforcing this catastrophic rate
2 increase serves the public interest, and the interest of justice, by honoring the
3 elders who built Alaska and making good on the State's promise to provide
4 quality, affordable care to those most invaluable of Alaska's resources: its elderly
5 long-time Alaskans.

6
7 **PRAYER FOR RELIEF**

8 WHEREFORE, plaintiffs respectfully request that this Court grant the
9 following relief:

- 10 1. Certification of the above-defined class pursuant to Alaska R. Civ. P.
11 23;
12
13 2. A declaration that the defendants are equitably estopped from
14 enforcing the rate changes in 7 AAC 74.025 against putative class members;
15
16 3. A preliminary and permanent injunction prohibiting defendants
17 from enforcing the rate increases set forth in 7 AAC 74.025;
18
19 4. Awarding the costs and expenses of litigation; and
20
21 5. For such other and further compensatory or equitable relief as this
22 Court may deem just and proper in the circumstances.

23 DATED this 4th day of November, 2019 at Juneau, Alaska.
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ALASKA BAR # 8611131

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Vance A. Sanders

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Alaska Bar No. 8611131

Vance A. Sanders for

Elizabeth M. Bakalar

Alaska Bar No. 0606036

Attorneys for Plaintiffs



Agenda

Friday, January 11, 2019 at 9:00am Alaska Pioneer Homes Advisory Board Meeting

Teleconference Call in Conference No: 1 (800) 315-6338, Access code 54784 #

Teleconference guidelines: Please mute your phone unless you are speaking. When speaking, state your name first. Soon after the meeting, be ready to receive a copy of the draft minutes to review and provide input within a short period of time. Thanks.

Public Comment: Public comment will be accepted during the first 15 minutes of the meeting. Please state your name and location before commenting. Thank you.

1. Attendance

Att	Type	First	Last	Location/Title	Representing
	Member	Gordon	Glaser	Anchorage	Alaska Commission on Aging Designee
✓		Bob	Sivertsen		Alaska Commission on Aging representative on behalf of Gordon Glaser
✓	Member, Ch	Rosemary	Hagevig	Douglas	Public
✓	Member	Phil	Hokenson	Fairbanks	Alaska Veterans Advisory Council Designee
✓	Member	Bob	Pawlowski	Anchorage	Public
✓	Member	Brenda	Shelden	Wasilla	Public
	Member	Jana	Shockman	Anchorage	Public
✓	Member	Ronald	Siebels	Anchorage	Public/Restricted/Veterans representative
✓	Member	Gordon	Severson	Anchorage	Public
✓	Division	Clinton	Lasley	Adm Ops Mgr	Central Office
	Division	Emily	Palmer	Soc Svcs Pr Coor	Central Office
✓	Division	Megan	Bauman	Admin Assist I	Central Office
✓	Public	Theresa	Holt	Ombudsman	State of Alaska Long Term Care Ombudsman

2. Call to Order

A. Meeting start time: 10am, 1/11/2019

3. Discussion and approval of minutes from 10/5/2018 and 11/7 – 11/8/2018 meetings.

A. Gordon S. move to approve both, Ron second. No objections, both sets of minutes approved.

4. Declaration and verification of any conflicts of interest.

A. None identified

5. Public Comment:

A. Theresa Holt (Alaska Longterm Care Ombudsman) - Present to listen

6. Unfinished/Old Business

A. Review of November Face to Face Meeting Action Items – Clinton L.

- i. Clinton – Thank you to all of our Advisory Board members, our Face-To-Face meeting in November at the Fairbanks Pioneer Home was the most productive in-person advisory board meeting that I've witnessed in the two years that I've been with the division. Thank you for your time and support!



ii. Clinton –

- a. Action Item #1 ("Obtain price per square foot estimate from Facilities to renovate existing FPH building and to build new"): In process, Clinton
- b. Action Item #2 ("Send out *FPH Renovate vs Rebuild* one-pager and talking points": In process, Megan
- c. Action Item #3 ("Meet with Fairbanks legislative delegates to tour FPH and discuss rebuild vs. renovate") – Completed
 - 1) Rosemary - Clinton and I met with the delegation in December and had a great turn out of both legislators and staff members. Senator Coghill was not in attendance but I ended up running into him on the plane home. He has been following the Pioneer Homes and will meet with me in person once he arrives in Juneau for session. The only legislator that did not have any presence at the event was Senator Bishop, however he confirmed via email that he received the information I sent him. Clint did an outstanding job of presenting the options regarding the FPH building situation and the legislators asked great questions. The Board's ultimate "ask" is to obtain a moderate amount of funds from the legislature to get an initial planning and evaluation study started. I found it very encouraging that I did not hear any negative comments and Representative Wilson seemed open to continuing the conversation (as she is likely to co-chair the Finance Committee, this is definitely an important relationship to continuing to develop).
- d. Action Items #4 & #6 (regarding AVPH roof replacement cost estimates and timelines) – In progress; we now have access to the federal grant program so Josh (AVPH Administrator) and I are beginning the federal grant application paperwork to receive the 65% / 35% federal matching grant. We have been able to confirm that the state does not have to have the 35% matching funds up-front, only the commitment to provide it. The DHSS Commissioners and Deputy Commissioners are all in support.
 - 1) Rosemary – That is wonderful. Thanks to Phil Hokenson for all of the ground work he did to make this possible. As long as I've been on this Board, the AVPH roof has been a major problem so to finally have progress on it is great.
 - 2) Bob P – Clinton, thank you for the roof cost estimate that you sent out after our last meeting, it answered my remaining questions.
- e. Action Item #5 ("Draft a PHAB resolution for building complementary veterans facilities" – In progress, Phil and Clinton
 - 1) Clinton – We initially discussed this as part of the FPH rebuild conversation (the possibility of building a complementary veteran facility at FPH, campus style). It would require looking at the FPH replacement costs per square foot and determine if there was federal veteran construction grant money that we could tap into that would make incorporating a veterans facility feasible. At this point, exact dollar amounts wouldn't be necessary, only confirmation as to whether such a project is actually possible. If it is possible, then it would simply be a



message from the Advisory Board encouraging the state to look at these options if/when a complete rebuild ever comes up.

- 2) Rosemary – This would actually fall under the FPH rebuild vs. renovate feasibility study we are requesting correct?
 - 3) Clinton – Yes.
 - 4) Phil – Thanks for the clarification, Clinton I'll get with you to pursue this.
- f. Action Item #7 ("Develop a PHAB companion AVPH roof replacement resolution + sub-parts A - D") – In progress, Phil
- 1) Part A: Complete
 - 2) Part B (include roof estimate and technical info): Complete
 - 3) Part C (Bob P to meet with Senator Sullivan's office): Complete / on-hold
 - i. Bob P – I have spoken with Verdie Bowens, and they are just waiting on the application that you and Josh are working on
 - 4) Part D (Ron to meet with Senator Murkowski's office): Complete / on-hold
 - i. Ron S – I have made several contact attempts but have been told nothing can be done during the government shut down.
 - ii. Clinton – For right now, we'll just focus on the grant application process now that we have access. Once the application has been submitted we'll have you both reach back out to your contacts at the senator offices and let them know that we need their advocacy for this project.
 - 5) Rosemary – Is there room in this application process to get letters of support from our congressional delegation?
 - 6) Clinton – I don't know.
 - 7) Rosemary – Ok, I think that is something we should keep on the back burner then.
 - 8) Ron S – We need to keep the pressure on the congressional delegates to let them know that we are forgetting about this.
- g. Action Item #8 ("Draft the Board Recommendations") – Complete
- h. Action Item #9("Complete editing updates to the FY18 Board Report and deliver to legislators")- Updates complete, delivery by Board members in process
- 1) Rosemary – We handed out the Board Report to the Fairbanks delegates during the December FPH meeting with them. Megan also sent a copy of the Board Report and the letter to the Governor.
 - 2) Clinton – I have also given Megan approval to get professional, colored copies of the report printed for delivery to the Legislators. Although the Advisory Board's budget has gotten pulled into the overall AKPH budget, I still keep the Board's budget separate. As such, if anyone mentions the costs associated with printing color copies you can assure them it came from the Advisory Board's budget.
 - 3) Rosemary – Who doesn't do color copies anymore??



- 4) Clinton – A year ago we got our hands slapped by Representative Wilson after we stated that we needed more money, but later sent over copies of documents to the legislature. Her response was to question how much money we really needed if we could still afford to spend money on copies. So, in the event that a similar comment comes up again, you can respond that it came from the Advisory Board's budget.
- 5) Bob P – Will there be copies available for Feb 10th when I am in town to meet with delegates?
- 6) Megan – Yes. Office Max is printing 60 color copies for us (enough for all senators and representatives) and I'll be picking those up today.
- i. Action Item #10 ("Complete Letter to the Governor") - Complete
- j. Action Item #11 ("Communicate staffing analysis report edits to Agnew:: Beck") – Complete
 - 1) Clinton – The edits discussed during the November Advisory Board meeting were passed on and the final report has been generated. I will send the Board Members a copy of that report. It is broken out into 3 parts (Part 1 is an overview of the recommendations, Part 2 goes into the details of the recommendations and Part 3 is an appendix.). Part 1 (the summary recommendation overview) is the only portion we are going to make public, as we feel the highly in-depth breakdown covered in Part 2 would be easily confusing to folks and lead to numerous, unproductive questions.
 - 2) Rosemary – Has OMB received this report?
 - 3) Clinton – No, I have not sent this out to anyone.
 - 4) Rosemary – That seems like a useful tool to have for when OMB questions us about staffing.
 - 5) Clinton – I haven't sent it out but it's possible the Commissioner or Deputy Commissioner sent it over.
- k. Action Item #12 ("Six month update on staffing analysis recommendations implementation") – To be completed at the beginning of FY20 (likely during the July Advisory Board meeting)
- l. Action Item #13 ("Documents to complete") – Complete
- m. Action Item #14 ("Obtain FPH Foundation president contact information") – Complete
- n. Action Item #15 ("Research data on national and local stats regarding staff and resident injuries during transfers with and without lifts") – To be completed by new AOM once hired

B. Review of Strategic Issues from 2018 – Clinton L.

- i. To be discussed during the Director Report and AOM Report

7. New Business

- A. Review of 2018 Advisory Board Meeting Schedule – Rosemary H.



- i. Rosemary – The new Boards and Commissions Director sent out a request to receive a copy of everyone's 2019 meeting schedule (as she will attempt to attend those she can). As such, we developed a flexible meeting schedule that can be adjusted as needed. Our new baseline meeting schedule will be every other month at 9am on the second Friday of every other month starting Jan 2019. Is everyone in agreement?
- ii. Brenda – I may be in Juneau on March 8th so I may call-in from there or come into the central office if my schedule allows.
- iii. All – Yes.

B. Agenda requests for next meeting?

- i. None at this time

8. Reports

A. Division Director's Report – Clinton L

- i. Clinton – The DHSS leadership structure has changed with the new administration, Jon Sherwood was not retained as the Deputy Commissioner for Medicaid & Health Care Policy, Donna Steward has taken his place. Our division has also been reassigned – we are now reporting to the Deputy Commissioner of Family, Community & Integrated Services (Mr. Al Wall) to be with the other 24 hr. facility divisions. This is a positive move for us as Mr. Wall has a good sense of the Pioneer Homes and what we do. One of our big "asks" for FY20 was to look at contracting out the hospitality services of the other 5 homes (to match what we've been doing at JPH for the last 30 years). I received confirmation this morning that the Commissioner is still in support, as in 2016 it was legislative intent for us to look into this as a cost efficiency option. Some of you may remember that we attempted to put out a Request for Bid last year when the LTC contract was due for renewal but the Commissioner pulled back support after receiving negative feedback from the union. This year we are going to try "Request for Information" instead, which should still provide us the cost efficiency data we need, hopefully without ruffling as many feathers. For last 2 years, Representative Wilson has been asking if we are going to do this, so this should help put us in good standing. I do think this is the right thing to do, as exploring all cost efficiencies are our responsibility. I have run the numbers several times with the information that I have, and as of this morning it's possible there is at \$1.4 M savings in contracting out those services. The "Request for Information" will go out by Feb 1, 2019, which should help us as we go into session.
- ii. Clinton - I was holding the AOM position vacant until the new administration took shape, and we have started recruiting. We received lots of applicants, and will start interviewing next week with the hope of having someone in place by the first week in February to help manage the flood of requests that come during legislative session.
- iii. Clinton - The staffing analysis report was finalized end at the end of November and I flew to each of the Homes to review the recommendations and discuss how we were going to implement them. The report was broken down into three phases: Phase 1 - continuing the current 95% home occupancy rate in the most effective manner (i.e. Status Quo); Phase 2 – the most effective staffing set-up to achieve full 100% capacity at each home; and Phase 3 – staff recommendations for expanding services to meet community needs (implementing complex neighborhoods, etc.). 3 (thinking outside the box model).



- iv. Clinton – Staffing issues: We’ve been in the process of transitioning all of our C.N.A positions to be C.N.A/ALA to help address the major recruitment issues we’ve been experiencing due to the highly competitive C.N.A. job pool. We started the project with FPH because they had the greatest need (15 vacant C.N.A positions), and in the last 1.5 months we’ve been able to hire 7 new ALAs, so this project has been tremendously helpful. The Nursing study report being conducted by Classifications should be coming out in the next week or so. Theoretically that should help us to be more competitive in nursing field, and the pay increase should be in place by mid-February.
 - v. Clinton - We have been working hard to prepare for legislative session and be in a good place to be looked at favorably during the budget cuts. We have to be prepared to advocate for the Pioneer Homes and get the people behind us if we start seeing drastic budget recommendations aimed at us.
 - vi. Rosemary – Can you give us a 60 sec update on the complex behavior neighborhood at APH?
 - vii. Clinton – The complex behavior workgroup has met several times and we’ll be having another meeting next week. It’s a slow process as we still need to get the building’s zoning transitioned with the city from residential to an assisted living facility. I spoke yesterday with our State facility office and their request for contractor proposals regarding the APH occupancy update project will close next week, so hopefully that ball can get rolling soon. It looks favorable that we can get the entire south building (all 5 floors) transitioned to an “I-1” occupancy, which would be tremendous.
 - viii. Theresa Holt – Once we get over this building hurdle it will go a lot faster. We have all the right folks at the table and I’m excited for this project to be able to help these elders with complex behaviors.
 - ix. Rosemary – Thankful for Nancy Burke with the Municipality of Anchorage.
 - x. Rosemary – Is re-zoning something that can be decided by the staff in the city or does it have to go to the Planning Commission?
 - xi. Clinton – It sounds like it can be decided by staff.
- B. Administrative Operation Manager’s Budget Report, Budget updates - Clinton L.
- i. Clinton - Last year was first year we didn’t run a budget deficit and this year we are on track do the same. We don’t know anything for FY20, as this budget session was done differently. With the new administration, we are not being pulled into the budget discussions, the Office of Management and Budget (OMB) is making all the decisions; after the directors submitted our recommendations for how we could find cost efficiencies in our divisions, we have not heard anything else. Our recommended cost savings including looking into contracting out hospitality services, finally increasing our monthly rates to match the costs of our services, and giving up some of the spending authority that we have never been able to earn anyway. All in all, those steps will help us earn more and show that we are working to decrease the cost to the state (about \$3M in savings).
 - ii. Rosemary – Will the increase in rates due to the changes we made in Palmer be on that list?
 - iii. Clinton – No, that is reflected in the FY19 budget.
- C. Alaska Veterans Advisory Council Report- Phil H.



- i. Phil – Clinton will be assisting me in bringing the Alaska Veterans and Advisory Council fully up to speed regarding the AVPH roof needs to help them prepare for their AVPH roof resolution meeting with legislators (January 21st).
- ii. Phil – I put together a summary of the Veterans Aid and Attendance program (one of our pension programs) and how it might work for the AKPH veterans. It's a difficult program for individual veterans to understand and access, but hopefully we could get support from the veterans support organizations. Verdie Bowens with Senator Sullivan's office has already offered support. I will send Megan a copy of the summary to forward out to the rest of the board. This might be a useful program that we combine with the funding we receive from the VA to assist the veterans in the Pioneer Homes, so any insight or ideas the board may have on the summary sheet would be greatly appreciated.

D. Board Chairman's Report – Rosemary H.

- i. Rosemary – Aside from the successful December Fairbanks legislator meeting, I also attended the ACOA meeting in preparation for their meeting with legislators. Two of their three primary items to discuss with the legislators were general and could align well with the AKPH. However, I do have to tell this board that I disagreed strongly with their third item. They want to ask for a new Advisory Board (in support of care givers). While support of care givers is incredibly important, in the face of the OMB looking to cut boards and commissions in their pursuit of achieving the \$1.6 B budget cut, I thought this would be a very bad time to come forward with this. It appears that the AARP is the driving force for this request. ACOA decided to hold this item, so we'll see what happens. ACOA also wants to put together a "Lunch and Learn" for each senior support organization to present their priorities while in Juneau for session. As I sit on both the ACOA and the AKPH boards and I have obligations to both, I wanted this board to be made aware and to hear any questions or observations you might have on this.
- ii. Ron- I may be wrong, but I personally feel that putting another board up is not effective. If they have a problem they need to work through the existing board and not set up another one.
- iii. Rosemary – Considering that AARP is the driving force behind this (as a directive from their national D.C. office) I understand where they are coming, and who they have to report to, but I fear they may be a little short sighted on this one.
- iv. Rosemary – Any other feedback? I'll keep you updated, if a Lunch and Learn does happen in the 2nd^d week of February, you'll be the first to know (as I understand it has to be sponsored by a legislator).

9. Chair's request for comments:

- A. Bob S (ACOA rep): It's nice to hear everyone's voices again and I'm pleased to hear the direction the Board is taking for support of the Homes in the new administration atmosphere. Regarding the ACOA, the largest priority on their list is developing the Alaska state plan for 2020 – 2023 (target completion date is May, with review and approval in June). This is important as Alaska must have an approved plan to receive federal funding for non-Medicaid senior programs. Part of doing this has been hosting 7 "Elderly Listening Sessions" around the state to listen to the needs facing the elderly. We also conducted a senior surveys (3,000 responses received) and senior provider surveys (126 responses received). Issues including finding in-home senior care services, locating assisted living/long term care facilities, etc. There is a real issue across the state of work force development and staffing needs for providers. The



quarterly meeting reports are posted on the ACOA website that you can reference for more information.

- B. Bob P: I'll be in Juneau February 10th – 13th and will be meeting with several legislators while I'm there.
- C. Gordon S.: Happy New Year and commend Clinton and Rosemary for being on top of everything so well in preparation for the new legislative session.
- D. Jana: N/A
- E. Ron: No
- F. Phil: No
- G. Brenda: No

10. Review of meeting action items – Megan B.

- A. Megan to re-send the proposed FPH rebuild vs. renovation one-pager to the board
- B. Clinton to send Board Members + Bob S. the final copy of the Agnew::Beck staffing analysis report
- C. Phil to send Megan the Aid and Attendance program handouts to forward out to the rest of the board members for input

11. Chair's Closing statement – Rosemary H.

- A. Rosemary - My goal is to get some of the annual reports circulating to some of the legislators before the big rush in first part of February.
- B. Bob – I second that recommendation, Rosemary, as being a staffer before this it is incredibly helpful to get that information to them before then so you're not lost in the mix.
- C. Rosemary – I'll talk with Megan to start a list for tracking which board members will be in Juneau before the big February meeting and which legislators they will be talking to/handing out board reports to. Having legislators hear from their own constituents about these AKPH items is the most effective way to go.
- D. Bob S – I have spoken to Senator Stedman and Representative Orteza about the needs of seniors and the Pioneer Homes specifically, so they are both up to speed on the concerns and the needs of our elder population. When I am in Juneau Feb 10 – 13th as the Ketchikan Mayor, what is the one Pioneer Home message that I can advocate for while I'm at it (as I'm meeting with the Governor and Lt. Governor)?
- E. Rosemary – Thank you Bob. Survival of the system is definitely the largest one (though I'm not concerned that would be in jeopardy). Aside from that, getting funding for a study to address the FPH renovation vs rebuild of the facility and securing the 35% state funding for the 65% matching federal grant for the AVPH roof.
- F. Clinton – Bob S, I'll send you the A::B staffing report to help.
- G. Bob S – Clinton, who has to review and approve connecting the AKPH monthly rates to a cost of living calculator (like social security, etc.)?
- H. Clinton – All regulations changes must go through the Lt. Governor office, and my staff have already had initial conversations with his office. We are asking for a pretty drastic rate increase for Level III, and the creation of a Level IV - as we cannot continue to offer those services without charging the actual cost of them. This will make us hugely unpopular but we have to do it.



- I. Rosemary – How big is drastic?
- J. Clinton – About 50%. We are on the cusp of being a skilled nursing facility and we're staffed accordingly, however, the staffing analysis has shown that it is costing us \$170,000 a year to provide Level III services for a single person, but we're only charging \$84,000 a year. Starting last year we started requiring new residents to provide financial data and after seeing that numerous people have the liquid assets to pay for the services, it isn't sustainable and it's not fair to undercharge and ask the state to subsidize money that people can pay themselves. These rate increase won't affect people who genuinely can't pay, as we will still have the protective net of Payment Assistance to cover them. However, it will require those who genuinely can pay to pay for the actual cost of the services they are receiving.
- K. Rosemary – I agree. What's your timeline on this as it sounds like we'll need to be prepared to field questions about this.
- L. Clinton – We're putting the package together now, so expect it to be done in 1 –1 ½ months (March-ish). I'm putting together a write up of this proposal to brief the board via email next week.
- M. Bob – Clinton, we appreciate that. The more we know the better we can advocate with our legislators for you.
- N. Clinton – I haven't mentioned anything, even internally, because I needed to make sure we actually had Department support to go through with it.
- O. Clinton – If we had one message from the division, I would say that we are doing our part to maximize our funding sources to reduce the total cost to the state while continuing to fill our role in the continuum of care (a safety net for many) to the best of our ability.
- P. Clinton – It might be a good idea to have a brief conference call once I have the final numbers for the rate package.
- Q. Rosemary – Everyone in agreement?
- R. All - Yes

12. Adjourn

- A. Motion to adjourn by Bob P., Gordon S. seconds.
- B. Meeting adjourned at 10:29am.

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THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of
Health and Social Services**

ALASKA PIONEER HOMES

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February 25, 2019

Subject: Governor's Honest Budget: Sustainable, Predictable, Affordable

Dear Pioneer Home Elders & Families:

Governor Dunleavy released the FY2020 State of Alaska budget on Wednesday, February 13, 2019. As you have all heard over the past few months, the governor fully intended on putting together a budget in which expenditures cannot exceed existing revenue. What does this mean for the Division of Alaska Pioneer Homes?

The FY2020 budget does not reduce our authority to spend the same approximate funding as we have this year, but goes to the core of the governor's objective which is we must earn what we spend. The budget does provide some provisions for payment assistance to those elders that do not have the financial resources to cover their cost of services.

To meet the expectation of a budget where expenditures cannot exceed existing revenue, I will be putting forward a regulation package in the coming days that aligns our rates with the cost of providing services. The Division of Alaska Pioneer Homes has historically charged rates for services substantially below what it cost the state to provide these essential services and below market rate. At the same time our Leadership Team will methodically review every process to ensure they are best practice and done most efficiently with our mission in mind.

The Alaska Pioneer Homes operate under a distinctive model that is different from "Assisted Living" facilities in the private sector. Our goal is to allow each elder moving into a Pioneer Home to create a home and community; to celebrate life through its final breath. This model allows each elder the opportunity to age in place and not be required to move to a new more advanced care facility as their needs increase. This requires higher staffing and care needs at the more advanced levels of care. Therefore, our pricing structure at those levels are a hybrid of assisted living and skilled nursing facilities. In order to clearly define the services each elder receives during the continuum of care, the division will be returning to the five level of care model from the three levels of care we currently use.

PLAINTIFF

EXHIBIT NO. 2

Alaska Pioneer Homes: Providing elder Alaskans a home and community, celebrating life through its final breath.

The new rates align with the cost of providing exceptional services at our homes. The Alaska Pioneer Homes have a long history of providing elder care in our state. Elders entering the homes today move in with much higher care needs than when the homes first opened. The average age of our residents is now 87 years and more elders are choosing to remain in the community until care is essential. Unfortunately, the division has not increased rates to align with the cost of providing these advanced services, resulting in the State of Alaska subsidizing more than \$30 million a year to operate the homes.

Below you will find the proposed rates for the five levels of care that align with the cost of providing services. A new assessment will be conducted for each elder residing at an Alaska Pioneer Home to determine the level of care required:

<u>Levels of Care</u>	<u>Monthly Rate</u>
Level I:	\$3,623
Level II:	\$6,569
Level III:	\$11,185
Level IV:	\$13,333
Level V:	\$15,000

Alaska statute provides protections for all Alaskans 65 years and older that choose to seek care at an Alaska Pioneer Home and do not have the resources to pay the full monthly rate. The state provides payment assistance equal to the amount needed, when added to other income and assets of the resident, to pay the monthly rate.

The path forward to a sustainable budget that includes the proposed rate increases was not taken lightly. I understand the effects of these changes on your finances and the uncertainty that these changes place on each of you. Making these changes once instead of having the uncertainty year after year will not only make us a stronger organization, but you will have the security you deserve because we took corrective actions today in planning for the future.

Sincerely,



Clinton Lasley
Division Director

cc: Albert E. Wall, Deputy Commissioner

Alaska State Legislature

Official Business



State Capitol
Juneau, Alaska
99801-1182

Commissioner Adam Crum
Director Clinton Lasley
P.O. Box 110690
Juneau, AK 99801

May 28, 2019

Dear Commissioner Crum and Director Lasley,

First and foremost, thank you for your work within our Department of Health and Social Services and our Division of Pioneer Homes. Alaska's Pioneer Homes play a vital role in our communities by creating a home for our aging population, celebrating life through the final breath, and providing individualized care. We want the department to continue to be successful in managing our Pioneer Homes and ask that House Bill 96, while still working its way through the legislative process, serve as a guideline for any proposed increase to rates.

We believe the process this legislation has gone through has brought to light many important issues related to Pioneer Home rates. From the research during the drafting process to the questions and concerns discussed during committee meetings, we believe HB 96 is an appropriate guide for the department in its decision-making process.

House Bill 96 passed the Alaska House of Representatives with broad-bipartisan support in May. Regular session ended before it was heard in the Senate, where we expect a similar level of support next session. HB 96 allows for a one time rebasing of rates for Pioneer Homes and then provides a structure for reasonable and regular rate increases to ensure that rates keep up with the cost of providing care for Pioneer Home residents by using the Social Security Cost of Living adjustment as a benchmark. This legislation does not prohibit an increase in Pioneer Home rates but encourages one that is sustainable for residents and their loved ones.

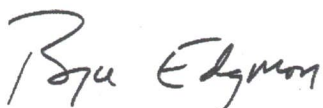
Increasing Pioneer Home rates above and beyond those proposed in HB 96 will result in an increased number of seniors going onto Medicaid and other public assistance. Our seniors may have to absorb a shock to their retirement plans while living on fixed incomes provided by Social Security. Many may choose to leave Alaska, taking their families, wisdom, and history with them. Many of these seniors helped establish our state, often through sacrifice and with the risk of dangerous occupations.

We ask that the State of Alaska stands by our historic commitment to provide for our aging population. We understand the need for increased revenue to effectively provide services but implore you to limit any increase in rates to those outlined in House Bill 96.

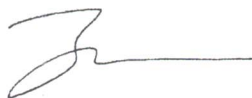
Respectfully,

Sixteen Alaska State House of Representatives, Undersigned






Speaker Bryce Edgmon



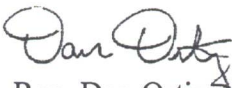
Rep. Zack Fields



Rep. Ivy Spohnholz



Rep. Tiffany Zulkosky




Rep. Dan Ortiz



Rep. Adam Wool



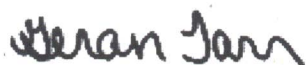
Rep. Jonathan Kreiss-Tomkins



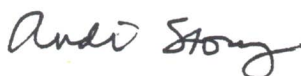
Rep. Andy Josephson



Rep. Grier Hopkins



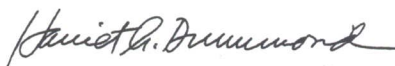
Rep. Geran Tarr



Rep. Andi Story



Rep. Bart LeBon



Rep. Harriet Drummond



Rep. Gabrielle LeDoux



Rep. Sara Hannan



Rep. Gary Knopp



Rep. Matt Claman